



INDIANA UTILITY REGULATORY COMMISSION
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**IN THE MATTER OF THE COMMISSION)
INVESTIGATION AND GENERIC PROCEEDING)
OF RATES AND UNBUNDLED NETWORK)
ELEMENTS AND COLLOCATION FOR INDIANA)
BELL TELEPHONE COMPANY, INCORPORATED)
d/b/a SBC INDIANA PURSUANT TO THE)
TELECOMMUNICATIONS ACT OF 1996 AND)
RELATED INDIANA STATUTES)**

CAUSE NO. 42393

FILED

MAY 28 2003

INDIANA UTILITY
REGULATORY COMMISSION

You are hereby notified that on this date the Indiana Utility Regulatory Commission ("Commission") makes the following entry in this Cause:

As the parties have already been advised, the Commission will host a technical conference in this Cause on June 6, 2003. To date, we have received only one request to present a cost model, which came from SBC Indiana ("SBC"). After reviewing SBC's costs models we take this opportunity to provide guidance on the format of the presentation. Commission Orders in past cost cases have indicated to the parties specific changes in certain parameters and allowed the parties to make the necessary changes. This has led to undue delay in approving final rates. Our goal in this proceeding is to recommend the issuance of an Order with final rates attached.

To meet this goal, Commission staff need to understand the overall cost model and the inner workings of the computer model, so that Commission staff can make any warranted changes which are required to produce a change in the rate(s) as originally proposed by the sponsor of the model.

Thus, the presentation should include a discussion of the overall framework of the model and hands-on experience with manipulating the model and deriving alternative costs. SBC has submitted filings in this Cause that propose changes to cost of capital, depreciation, and fill factors. While we can't anticipate the testimony of the intervening parties, if history is a guide, the intervening parties may present alternative values for these three factors. Presenters should be prepared to run the cost model and derive alternative costs using alternative inputs for the three factors.

If other parties plan to present a cost model, the general format should be to explain the model and then be able to run different scenarios that result in different prices. As stated in our April 30, 2003 Docket Entry, if a party plans on presenting a cost model, please contact Joel Fishkin, Assistant Director of the Commission's Telecommunications Division, at 233-3464 or e-mail: jfishkin@urc.state.in.us.

IT IS SO ORDERED.



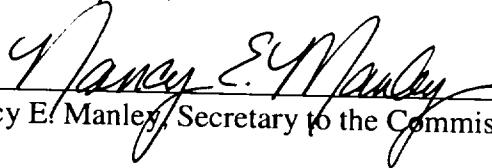
Larry S. Landis, Commissioner



William G. Divine, Administrative Law Judge

5/28/03

Date



Nancy E. Manley, Secretary to the Commission